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**Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations**

# Updated financial position of closed peacekeeping missions as at 30 June 2016

## Report of the Advisory Committee on Administrative and Budgetary Questions

## I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the updated financial position of closed peacekeeping missions as at 30 June 2016 (A/71/652). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses on 13 March 2017.

2. The Advisory Committee recalls the proposals of the Secretary-General to settle outstanding liabilities in closed missions (see A/66/665, A/67/739, A/68/666, A/69/659 and A/70/552). The comments of the Committee on those proposals are contained in the following reports: A/66/713 and Corr.1 (see paras. 10-12); A/67/837 (see paras. 5 and 6); A/68/837 (see paras. 11 and 16); A/69/827 (see paras. 15-17); and A/70/829 (see paras. 14-17).

3. **The Advisory Committee notes that the General Assembly decided, most recently in its decision 70/553 C, to defer consideration of all five previous reports of the Secretary-General and the related reports of the Advisory Committee until the second part of its resumed seventy-first session. In this context, the Committee reiterates its previous observations and recommendations on the proposals contained in the above-mentioned reports of the Secretary-General.**

4. In his report, the Secretary-General provides background information on the updated financial position of 29 closed peacekeeping missions as at 30 June 2016 (A/71/652, paras. 1-10). He also provides detailed information about three

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additional peacekeeping missions that have closed since the previous report: the United Nations Integrated Mission in Timor-Leste (UNMIT); the United Nations Mission in the Central African Republic and Chad (MINURCAT); and the United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS).

5. The Secretary-General indicates that five of the closed peacekeeping missions had net cash deficits totalling $86.1 million because of outstanding assessed contributions, and the remaining 24 closed missions had net cash surpluses totalling $67.7 million available for credit to Member States (A/71/652, paras. 11-22). Updated information provided to the Advisory Committee indicated that the cash available for credit to Member States from the 24 closed missions in surplus increased to $105.4 million as at 31 January 2017, reflecting a reimbursement of $30.5 million in loans from active peacekeeping missions, $7.6 million in contributions from Member States and $82,000 in investment and other revenue, offset by $0.4 million for the settlement of death and disability claims and other payments.

6. **The Advisory Committee notes the improved cash position of the closed peacekeeping missions with cash surpluses and reiterates the expectation that cash surpluses available for credit to Member States will be returned in full and in a timely manner (see A/69/827, para. 6, and A/70/829, para. 7).**

## II. Outstanding amounts due to Member States from closed missions

7. In his report, the Secretary-General provides information about the net cash available for credit to Member States as at 30 June 2016 and about accounts payable to Member States and other liabilities (see A/71/652, sect. III and annex I). Upon request, the Advisory Committee was provided with an update on outstanding claims owed to troop-contributing countries as at 31 January 2017. According to the information provided, outstanding claims for payment to 27 troop-contributing countries in all closed missions amounted to $81.3 million.

8. **The Advisory Committee reiterates the importance of settling claims by troop- and police-contributing countries of closed peacekeeping missions in a timely manner.**

## III. Cash requirements of the Organization

9. The Advisory Committee recalls that the General Assembly, in its resolutions on the financing of peacekeeping operations, has emphasized that no peacekeeping mission shall be financed by borrowing funds from other active peacekeeping missions (see A/70/829, para. 11). At the same time, the Committee acknowledges that because the Assembly has been silent on the mechanism for dealing with the disposition of cash balances available in the accounts of closed peacekeeping missions, the Secretary-General, since 2003, has annually proposed to the Assembly that such cash balances be retained as a source of cross-borrowing for other missions to address the issue of cash shortages in active missions owing to unpaid assessments (ibid.).

10. The Advisory Committee has repeatedly expressed concern about the continued reliance on cash surpluses in closed peacekeeping missions for the cash requirements of active peacekeeping missions and reiterated the importance of delinking the cash flow requirements of active peacekeeping missions from the cash surpluses in closed missions that should be returned to Member States (see A/67/837, para. 8, and A/70/829, para. 11). In this connection, the Committee notes the request by the Secretary-General to retain a cash balance of $67.7 million if no new mechanism is approved to address the cash requirements of active peacekeeping operations.

11. The Secretary-General notes that outstanding payments of assessments for 29 closed missions amounted to $407.9 million gross as at 30 June 2016. Upon enquiry, the Advisory Committee was informed that outstanding assessments totalled $400.4 million as at 31 January 2017, of which $247.4 million was outstanding for 24 closed missions in surplus and $152.9 million for 5 closed missions in deficit. **The Advisory Committee notes the repeated calls by the General Assembly for all Member States to pay their assessed contributions on time, in full and without conditions (see, for example, resolutions 70/271, para. 3, and 70/285, para. 1).**

12. In his report, the Secretary-General provides an analysis of cross-borrowing by missions, in particular MINURSO, UNMIK, and UNISFA. Upon enquiry, the Advisory Committee was informed that the peak in borrowing over the last three calendar years was $43.0 million and that the need for borrowing resulted from systematic deficits, which may include: (a) the overall level of unpaid assessments relative to the size of the missions' budgets; (b) the aging of the unpaid assessments of Member States; and (c) the proportionate share of unpaid assessments of individual Member States. **The Advisory Committee notes the steadily declining trend in the peak levels of borrowing by active peacekeeping missions and that the highest level of borrowing in the past three calendar years was $43.0 million. The Committee notes that this reduction in the peak level of borrowing reflects an improvement in the timeliness of the receipt of assessed contributions. In this regard, and in accordance with previous recommendations, the Committee recommends that the net cash balance proposed for retention to cover the temporary borrowing needs of active missions be reduced accordingly to $43.0 million and that any available cash surplus over that amount be returned to Member States (see para. 13 below).**

## IV. Actions to be taken by the General Assembly

13. The actions to be taken by the General Assembly are set out in paragraph 27 of the report of the Secretary-General. **The Advisory Committee recommends that the General Assembly:**

(a) **Take note of the report of the Secretary-General, subject to its observations and recommendations in the present report;**

(b) **Request the Secretary-General to return to Member States the amount of $62,408,000 out of the balance of $105,408,000 available in 24 closed**

**peacekeeping missions as at 31 January 2017, leaving a balance of $43,000,000 (see para. 12 above).**

14. **The Advisory Committee trusts that the updated balances in the 29 closed peacekeeping operations will be provided to the General Assembly at the time of its consideration of the report of the Secretary-General.**